

TCO Review

1 September 2017 to 28 February 2018

**Michael Arnold
TCO Tolling Customer Ombudsman**

TCO TOLLING CUSTOMER OMBUDSMAN REVIEW

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Introduction

I have taken the opportunity to revisit a number of issues and themes in this report as I believe that it is timely to do so because of their ongoing nature.

Infrastructure development will continue to be the predominant thrust in the future management of our travel and transport requirements. This means there is a need for State and Federal Governments, in consultation with the community, to fund not only the current needs but those of future generations in a rapidly expanding population. Resources will dictate that the private sector must play its part in the implementation of infrastructure programs.

Presently there are debates about the speed of population growth and the fairness of the allocation of funds for infrastructure development in the various places in Australia. One must expect that such debates are not served to advance particular interests or for particular States, but for the overall benefit of the country. Taxpayer funds should be equitably distributed and planning for growth must be politics free.

There are differing points of view about whether the emphasis should be on road or rail. Leaving aside these differences, there must be consideration of our future road and rail requirements throughout the States. Traffic congestion in our major capital cities must be addressed, but there needs to be a holistic approach involving the requirements of expanding regional cities and country areas.

People living in these parts of our States are entitled to access to high quality transport services, not only when they transit to the major cities. Improved road and rail services mean safer travel, as well as economic benefits in the form of tourism and the effective transporting of goods. Whether the preference be rail over road or vice versa, future planning should be focussed on the best method of connectivity between the two modes of transport for all users. Properly managed and cost effective toll roads will be part of the achieving of such a system.

Toll roads

Toll roads are an expanding part of the traffic system upon which a significant part of the travelling public rely. They are moving well beyond the recognized metropolitan areas and are providing, for many, the most efficient and viable way for travel to required destinations, such as placement of employment. Statistics show that toll road users or customers, by an overwhelming margin, meet their payment obligations, but there is evidence that a proportion, who for varying reasons, do not meet their obligations.

The fact of the matter is that toll roads, because of their increasing penetration, are becoming a more and more attractive option for those under time constraints because of work commitments, family pressures or a combination of both. These people become toll road users out of need.

For many, in a time where wage growth has been slow and utility charges high, toll road charges become a bill that must be juggled with all the others on the kitchen table. Accordingly there must be the highest and broadest service for toll road customers with the most up-to-date systems and fairest pricing regimes to help them cope with payment of tolls.

I highlight again that steps have been taken by toll operators and State Government agencies, in conjunction with legal aid, financial counsellors and other community groups, to address issues in relation to the collection of unpaid tolls. It is my understanding that one toll operator is conducting a three month trial involving financial counsellors to assist those who are facing difficulty in immediately being able to pay outstanding tolls. Such measures should be encouraged.

New South Wales administration fees

An examination of previous TCO Reviews records that a significant number of complaints relate to the level of fees billed for administration in respect to unpaid tolls. The issue of administration fees should not be a matter of controversy. Although not within my jurisdiction, when such matters are raised with me I have explained that the administration fees are for cost recovery and do not include a penalty or benefit to the toll operator.

There should be complete transparency and fairness in relation to the fixing of such fees in order to ensure customer confidence. I have reported previously that fixing of tolls and fees varies from State to State, with some fixed in formal consultation with the Government, whilst others are set on a commercial cost covering basis by the toll operators.

There are regular complaints by customers in NSW of the level of administration fees charged on the recovery of tolls that date back many years. I understand that toll operators would prefer for customers to pay in accordance with requirements and thus avoid the necessity of the administration costs involved in the collection of unpaid tolls. The reality is that some toll road users do not meet their obligations in this regard.

An issue was raised about NSW toll operators' right to charge administration fees for the toll collection. It is my understanding that the NSW Roads Regulation 2008 Regulations 23(1) and 25(5) respectively provide the legislative obligation for toll road users to pay tolls and the right of toll operators to charge administration fees. The quantum of fees is fixed under two commercially-in-confidence documents. One is a concession deed that sets the criteria for cost recoverability and the other a Service Level Agreement involving RMS which places a dollar cap that also applies.

Despite the fact there is a right to collect administration fees, discretion should be exercised by toll operators when it comes to payments required of users in respect to tolls that date back a number of years.

Changes to toll payments

I appreciate that toll operators have long term goals to incentivise toll road users to open accounts or adopt other methods of payment of tolls in such a way as to reduce no-arrangement travel and consequential enforcement.

Steps have been taken in the past to redesign Toll Notices in order to provide more clarity as to why they were generated, the potential escalation paths and education on how to avoid further notices or administration fees. Additionally, websites have been reviewed to improve the user experience.

Innovations that improve the travelling experience of toll road customers and the ease of toll payments should be encouraged. However, care must be taken to introduce such changes to customers with information programs that make them aware of such innovations.

There have been a number of complaints in relation to a change in policy that affects occasional users of go via toll roads. Complaints have been raised in respect to customers' ability to make payments within the three days of travel at service (petrol) stations. They are being advised that such payments cannot be made, as in the past. They are being offered

higher value passes which have limited value to them because of their irregularity of use of the toll roads.

Customers also complain that they have been charged an administration fee in the process. I understand that the toll road operator's intention is to facilitate easier pre-paid travel for customers, but better education and a longer transition period for change could have been beneficial.

Customer service

I restate that many complaints that come to me are in relation to aspects of customer service. Issues relate to the time taken to establish telephone contact, the responsiveness of telephone operators, the failure to return promised update calls and the accuracy of the information provided by the telephone operators. Steps have been taken by toll operators to improve communication with the upgrading of telephone training and/or upgrading call centres.

I again emphasize that some customers can view the non-acceptance of their point of view as poor customer service, in the course of a telephone call. It is important that toll operators have processes that deal with complaints efficiently and effectively. This requires telephone operators to understand processes, have the ability to rectify issues and avoid delay in responding or following up calls from customers.

Notification of toll operators on sale of vehicle

There are always a proportion of complaints by both account holding and no-arrangement for travel customers for being charged for the use of toll roads after they have sold their vehicles to a third party purchaser.

Where account customers are concerned, the problem is caused because customers fail to notify the toll operator of the sale, either out of forgetfulness or in the belief that there is a linkage between the toll operator and the State motor vehicle registration agency.

Steps have been taken, with consultation between toll operators and State motor vehicle registration agencies, with a view to putting in place processes to reduce these types of problems occurring by notifying toll operators of the sale of vehicles.

In regard to casual customers, it is important that State motor vehicle registration agencies record changes of ownership of vehicles in a timely manner, as toll operators rely on this information for the delivery of toll invoices and demands.

Toll operators should provide notices to be displayed by State motor vehicle registration agencies at the point of sale, reminding all toll road users selling a vehicle of their obligation to advise the toll operator of the removal of the sold vehicle from an account and the addition of any new vehicle registration number.

Similarly, such notices could be displayed with consent at motor vehicle sales and rental outlets, reminding customers of the need to cancel any arrangement they may have had with a toll operator during the rental period.

Vehicle recognition

There are also infrequent complaints about failures in vehicle recognition. These can stem from differences in State registration number plates, the failure to distinguish between letters or numbers such as an "O" or a "0", or false number plates. Despite being placed on alert lists, customers become frustrated with having to contact the toll operators repeatedly in respect to toll notices that are not their responsibility.

A complaint was lodged in regard to tolls incurred in respect to a particular toll operator charging of tolls after a tag had been removed. The toll operator explained that whilst the tag is the predominant way a toll trip is captured, there are times where a tag signal may not work and a number plate image is taken instead. Customers in New South Wales can choose to list their number plates on their accounts so that if the tag does not register, an image of the plate is taken and it can be charged to the account via the number plate, rather than the customer having to go through the process of paying a toll notice.

The listing of a number plate is stand alone; the plate is not tied to a tag number. Removing a tag from a vehicle does not automatically remove a number plate from the account. This is why, when a customer determines to list their number plate on their account, the only stipulation is that a customer must advise the toll operator when they sell or transfer a vehicle. Apart from the tolling account product terms and conditions, this is also made very clear and prominent on the "Notice of Disposal", which advises customers to ensure they let their toll account provider know the vehicle is sold.

The toll operator responded to the customer's direct question: "What would have happened had I taken the rego number off my account?" It was explained that the toll operator would have removed the number plate from the account, thereby stopping trips being applied to the account by way of the number plate. The toll operator would then have had to find other means to identify to whom the trip should be charged.

This matter had seen the toll operator pay to another operator for trips against a number plate no longer in its customer's possession, not because of any action the toll operator knowingly failed to take and therefore did not believe it bore any responsibility for. However, the toll operator was prepared to offer an ex gratia payment to the customer's account of an amount equivalent to half the trips totalling \$176.99 as a matter of "fair go".

The TCO believed this was a fair resolution of the complaint and the customer accepted the proposal.

I point out that the registration requirements vary in Victoria and Queensland. In Victoria it is a legislated requirement to register a vehicle for travel. For account holders this means linking the vehicle to an account. This is an account requirement in Queensland.

Financial Counsellor's Association of Queensland

I was pleased to attend and speak at the Financial Counsellor's Association of Queensland conference at Noosa Heads in March 2018. This followed a presentation at the NSW Association conference at Port Macquarie in late 2017. It is always valuable to catch-up and interact with those at the forefront of dealing with toll road customers who are facing financial difficulties for one reason or another.

Conclusion

There remains a constant stream of complaints to the TCO despite ongoing efforts by toll operators to improve their services and customer relations contact. The relationship between toll operators and toll road users can become fractious in the face of changes of process or methods of payment. It is therefore important that there be best practice in the form of communication between the operators, account customers and casual users, to avoid unnecessary concerns.

There are increased tensions when customers are facing financial difficulty and toll operators should be aware of this. Initiatives such as the conducting of a trial involving financial counsellors to assist those who are facing difficulty in immediately being able to pay

outstanding tolls are positive ways of establishing that toll operators are sensitive to the community's needs.

I cannot always point to the difficulties that toll operators encounter without giving the toll operators credit from time to time. In this instance, credit should be given to Transurban Queensland (go via) for the very considerable reduction in complaints over the last three months. It is put down largely due to a more user friendly website functionality and changes that include the aggregation of toll road travel when notices of demand are issued.

Below is a table of complaints and outcomes for the reporting period.



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CityLink
EastLink
Go Via
Interlink Roads
Roam
Roam Express

Category	Sept 17	Oct 17	Nov 17	Dec 17	Jan 18	Feb 18
Account Management	10	11	9	11	7	11
	5	6	9	-	6	7
	23	22	11	19	19	16
	3	2	2	1	4	1
	15	6	9	6	4	-
	5	5	3	1	2	4
Billing & Tolling	2	7	5	2	10	6
	8	10	9	9	3	6
	9	10	13	14	15	17
	3	4	1	3	7	4
	36	13	12	10	8	9
	25	14	4	7	3	6
Damage to Vehicle					1	
	1					
Infrastructure/Signage Traffic Management						
	1					
Vehicle Classification				1	1	
		1				
						1
Website						
	1					
TOTAL	12	18	14	14	18	17
	13	17	18	9	10	13
	33	32	24	33	34	34
	6	6	3	4	11	5
	51	19	21	16	12	9
	32	19	7	8	5	10
Resolved / Closed by Toll Road Operator	12	18	14	14	18	34
	13	17	18	9	10	13
	33	31	24	33	34	33
	6	6	3	4	11	5
	51	19	21	16	12	9
	32	19	7	8	5	10

Category	Sept 17	Oct 17	Nov 17	Dec 17	Jan 18	Feb 18
Pending						
		1				1